

**REPORT OF THE AUDIT OF THE
BRACKEN COUNTY
FISCAL COURT**

**For The Fiscal Year Ended
June 30, 2002**



EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS
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EXECUTIVE SUMMARY

AUDIT EXAMINATION OF THE BRACKEN COUNTY FISCAL COURT

**For The Fiscal Year Ended
June 30, 2002**

The Auditor of Public Accounts has completed the Bracken County Fiscal Court audit for fiscal year ended June 30, 2002. We have issued an unqualified opinion on the financial statements taken as a whole. Based upon the audit work performed, the financial statements are presented fairly in all material respects.

Financial Condition:

Fund balances decreased by \$12,962 from the beginning of the year, resulting in a cash surplus of \$1,064,983 as of June 30, 2002.

Debt Obligations:

Capital lease principal agreements totaled \$54,002 as of June 30, 2002. Future principal and interest payments of \$56,409 are needed to meet these obligations.

Deposits:

The fiscal court's deposits were insured and collateralized by bank securities or bonds.

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EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky

Honorable Paul E. Patton, Governor

Gordon C. Duke, Secretary

Finance and Administration Cabinet

Dana Mayton, Secretary, Revenue Cabinet

Honorable Lovell Dwayne Jett, Former Bracken County Judge/Executive

Honorable Leslie L. Newman, Bracken County Judge/Executive

Members of the Bracken County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and equity balances arising from cash transactions of Bracken County, Kentucky, as of June 30, 2002, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Bracken County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, Bracken County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and laws of Kentucky, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising primarily from cash transactions as of June 30, 2002 of Bracken County, Kentucky, and the revenues received and expenditures paid for the year then ended, in conformity with the modified cash basis of accounting.



To the People of Kentucky
Honorable Paul E. Patton, Governor
Gordon C. Duke, Secretary
Finance and Administration Cabinet
Dana Mayton, Secretary, Revenue Cabinet
Honorable Lovell Dwayne Jett, Former Bracken County Judge/Executive
Honorable Leslie L. Newman, Bracken County Judge/Executive
Members of the Bracken County Fiscal Court

In accordance with Government Auditing Standards, we have also issued our report dated June 13, 2003 on our consideration of Bracken County, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Bracken County, Kentucky. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
June 13, 2003

BRACKEN COUNTY OFFICIALS

For The Fiscal Year Ended June 30, 2002

Fiscal Court Members:

Lovell Dwayne Jett	County Judge/Executive
Matthew Clark Hennessey, Jr.	Magistrate
Elmer Lee Jones	Magistrate
Gilbert Todd, Jr.	Magistrate
Leslie Newman	Magistrate
Neil A. Brumey	Magistrate
David Kelsch	Magistrate
Scotty Lippert, Jr.	Magistrate
Judith Cooper	Magistrate

Other Elected Officials:

Edward J. Rudd	County Attorney
Davic Sticklen	Jailer
Karen Rumford	County Clerk
Catherine Rigg	Circuit Court Clerk
Mike Nelson	Sheriff
Steve Thornsbury	Property Valuation Administrator
John G. Parker	Coroner

Appointed Personnel:

Judith F. Brothers	County Treasurer
Tina K. Hargett	Finance Officer

STATEMENT OF ASSETS, LIABILITIES,
AND EQUITY ARISING FROM CASH TRANSACTIONS

BRACKEN COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND EQUITY ARISING FROM CASH TRANSACTIONS

June 30, 2002

	<u>Governmental Fund Types</u>		<u>Totals</u> <u>(Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<u>Assets and Other Resources</u>			
<u>Assets</u>			
Cash and Cash Equivalents	\$ 848,463	\$ 216,520	\$ 1,064,983
Total Assets	\$ 848,463	\$ 216,520	\$ 1,064,983
<u>Other Resources</u>			
Amounts to Be Provided In Future Years for:			
Capital Lease	\$ 54,002		\$ 54,002
Total Other Resources	\$ 54,002	\$ 0	\$ 54,002
Total Assets and Other Resources	<u>\$ 902,465</u>	<u>\$ 216,520</u>	<u>\$ 1,118,985</u>

The accompanying notes are an integral part of the financial statements.

BRACKEN COUNTY
 STATEMENT OF ASSETS, LIABILITIES, AND EQUITY
 ARISING FROM CASH TRANSACTIONS
 June 30, 2002
 (Continued)

	<u>Governmental Fund Types</u>		<u>Totals</u> <u>(Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<u>Liabilities and Equity</u>			
<u>Liabilities</u>			
Capital Lease	\$ 54,002	\$	\$ 54,002
Total Liabilities	\$ 54,002	\$ 0	\$ 54,002
<u>Equity</u>			
Fund Balances:			
Reserved	\$ 102,648	\$	\$ 102,648
Unreserved	745,815	216,520	962,335
Total Equity	\$ 848,463	\$ 216,520	\$ 1,064,983
Total Liabilities and Equity	\$ 902,465	\$ 216,520	\$ 1,118,985

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

BRACKEN COUNTY
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

For The Fiscal Year Ended June 30, 2002

	General Fund Type			
	General Fund	Road and Bridge Fund	Jail Fund	Local Government Economic Assistance Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 1,004,952	\$ 785,793	\$ 44,798	\$ 34,776
Other Financing Sources:				
Transfers In	1,082		78,500	
Kentucky Advance Revenue Program	177,300			
Total Cash Receipts	<u>\$ 1,183,334</u>	<u>\$ 785,793</u>	<u>\$ 123,298</u>	<u>\$ 34,776</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 886,902	\$ 826,503	\$ 127,346	\$ 30,922
Transfers Out	78,500			
Other Financing Uses:				
Capital Lease:				
Principal Paid	25,349			
Kentucky Advance Revenue Program Repaid	177,300			
Total Cash Disbursements	<u>\$ 1,168,051</u>	<u>\$ 826,503</u>	<u>\$ 127,346</u>	<u>\$ 30,922</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 15,283	\$ (40,710)	\$ (4,048)	\$ 3,854
Cash Balance - July 1, 2001	<u>494,719</u>	<u>359,985</u>	<u>5,233</u>	<u>14,147</u>
Cash Balance - June 30, 2002	<u><u>\$ 510,002</u></u>	<u><u>\$ 319,275</u></u>	<u><u>\$ 1,185</u></u>	<u><u>\$ 18,001</u></u>

The accompanying notes are an integral part of the financial statements.

BRACKEN COUNTY
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN CASH BALANCES
 For The Fiscal Year Ended June 30, 2002
 (Continued)

<u>Special Revenue Fund Type</u>			
<u>State Grants Fund</u>	<u>Special Fund</u>	<u>Senior Citizens Fund</u>	<u>Totals (Memorandum Only)</u>
\$ 120,000	\$ 1,082	\$ 4,234	\$ 1,995,635
			79,582
			177,300
<u>\$ 120,000</u>	<u>\$ 1,082</u>	<u>\$ 4,234</u>	<u>\$ 2,252,517</u>
\$ 107,059	\$ 1,082	\$ 4,516	\$ 1,983,248
			79,582
			25,349
			177,300
<u>\$ 107,059</u>	<u>\$ 1,082</u>	<u>\$ 4,516</u>	<u>\$ 2,265,479</u>
\$ 12,941	\$	\$ (282)	\$ (12,962)
140,000	45,147	18,714	1,077,945
<u>\$ 152,941</u>	<u>\$ 45,147</u>	<u>\$ 18,432</u>	<u>\$ 1,064,983</u>

The accompanying notes are an integral part of the financial statements.

BRACKEN COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 2002

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Bracken County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the application of the criteria stated in GASB 14, there are no component units which merit consideration as part of the reporting entity.

Additional - Bracken County Constitutional Elected Officials

- Circuit Court Clerk
- County Attorney
- County Clerk
- County Sheriff
- Property Valuation Administrator

The Kentucky constitution provides for election of the above officials from the geographic area constituting Bracken County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Bracken County Fiscal Court's fund types, a definition of each, and county funds included within each fund type are listed below.

1) General Fund Type

General Fund Type accounts for all financial resources except those required to be accounted for in another fund type. The Bracken County General Fund Type includes the following county funds: General Fund, Road and Bridge Fund, Jail Fund, and the Local Government Economic Assistance Fund (LGEA).

BRACKEN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2002
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

2) Special Revenue Fund Type

Special Revenue Fund Type accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for the specified purpose. The Bracken County Special Revenue Fund Type includes the following county funds: State Grants Fund, Community Development Block Grant Fund (CDBG), Special Fund and the Senior Citizens Fund.

C. Basis of Accounting

For all fund types, the county utilizes a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received and expenditures when paid. Long-term receivables, long-term obligations and amounts to be provided in future years to retire debt are recorded in the financial statements. The amount to be provided in future years to retire debt is offset by any cash or cash equivalents held by the county in a bond or debt service fund.

The State Local Finance Officer does not require the county to maintain a general fixed assets group of accounts; therefore the value of the county's fixed assets are not included in the financial statements. These fixed assets include buildings, equipment and land that are owned by the county.

D. Legal Compliance - Budget

The Bracken County budget is adopted on a cash basis of accounting and according to the laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

BRACKEN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2002
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 6.41 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of June 30, 2002, the county's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the county's agent in the county's name, or provided surety bond which named the county as beneficiary/obligee on the bond.

BRACKEN COUNTY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2002
 (Continued)

Note 4. Capital Lease Agreement

The Bracken County Fiscal Court is committed to a lease agreement with the Kentucky Association of Counties Leasing Trust (KACoLT) for equipment to be used in the county's 911 system. This agreement requires an initial monthly payment of \$2,877 and 59 payments of \$2,352, to be completed on June 30, 2004. The principal balance was \$54,002 as of June 30, 2002.

<u>Fiscal Year Ended June 30</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
2003	\$ 1,774	\$ 26,459
2004	<u>633</u>	<u>27,543</u>
Totals	<u>\$ 2,407</u>	<u>\$ 54,002</u>

Note 5. Operating Lease

The Bracken County Fiscal Court is committed to a lease agreement with Modern Office Methods for a copier in the County Judge/Executive's office. The county entered into the agreement on March 9, 2000. The terms of the agreement require 42 monthly payments of \$223. The balance was \$3,117 as of June 30, 2002.

Note 6. Insurance

For the fiscal year ended June 30, 2002, Bracken County was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

Note 7. Subsequent Event

On August 21, 2002, Bracken County Fiscal Court entered in to a lease agreement with Kentucky Association of Counties Leasing Trust, in the amount of \$696,000, for building an addition to the courthouse and for acquiring a wheel loader. The lease requires monthly interest payments beginning on September 20, 2002, and yearly principal payments beginning on January 20, 2003. The lease agreement terminates on January 20, 2017.

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COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

BRACKEN COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

For The Fiscal Year Ended June 30, 2002

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
<u>General Fund Type</u>			
General Fund	\$ 552,741	\$ 1,004,952	\$ 452,211
Road and Bridge Fund	664,758	785,793	121,035
Jail Fund	127,405	44,798	(82,607)
Local Government Economic Assistance Fund	26,993	34,776	7,783
<u>Special Revenue Fund Type</u>			
State Grants Fund	235,000	120,000	(115,000)
Community Development Block Grant Fund	14,072		(14,072)
Special Fund	4,000	1,082	(2,918)
Senior Citizens Fund	4,050	4,234	184
Totals	<u>\$ 1,629,019</u>	<u>\$ 1,995,635</u>	<u>\$ 366,616</u>
<u>Reconciliation</u>			
Total Budgeted Operating Revenue Above			\$ 1,629,019
Add: Budgeted Prior Year Surplus			1,098,957
Less: Other Financing Uses			<u>(25,350)</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures			<u>\$ 2,702,626</u>

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SCHEDULE OF OPERATING REVENUE

BRACKEN COUNTY
SCHEDULE OF OPERATING REVENUE

For The Fiscal Year Ended June 30, 2002

Revenue Categories	GOVERNMENTAL FUND TYPES		
	Totals (Memorandum Only)	General Fund Type	Special Revenue Fund Type
Taxes	\$ 695,601	\$ 695,601	\$
In Lieu Tax Payments	217	217	
Excess Fees	20,688	20,688	
Licenses and Permits	2,096	2,096	
Intergovernmental Revenues	1,170,449	1,050,449	120,000
Charges for Services	15,791	15,791	
Miscellaneous Revenues	71,465	67,469	3,996
Interest Earned	19,328	18,008	1,320
Total Operating Revenue	<u>\$ 1,995,635</u>	<u>\$ 1,870,319</u>	<u>\$ 125,316</u>

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COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

BRACKEN COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

For The Fiscal Year Ended June 30, 2002

Expenditure Categories	GENERAL FUND TYPE		
	Final Budget	Budgeted Expenditures	Under (Over) Budget
General Government	\$ 376,821	\$ 312,702	\$ 64,119
Protection to Persons and Property	311,565	277,728	33,837
General Health and Sanitation	62,433	56,962	5,471
Social Services	2,200		2,200
Recreation and Culture	153,400	144,765	8,635
Roads	971,864	789,294	182,570
Bus Service	18,000	16,007	1,993
Capital Projects	5,000	4,032	968
Administration	454,500	270,183	184,317
Total Operating Budget - General Fund Type	\$ 2,355,783	\$ 1,871,673	\$ 484,110
Other Financing Uses:			
Capital Lease Agreement-			
Principal on Lease	25,350	25,349	1
TOTAL BUDGET - GENERAL FUND TYPE	<u>\$ 2,381,133</u>	<u>\$ 1,897,022</u>	<u>\$ 484,111</u>

Expenditure Categories	SPECIAL REVENUE FUND TYPE		
	Final Budget	Budgeted Expenditures	Under (Over) Budget
General Government	\$ 236,000	\$ 81,575	\$ 154,425
General Health and Sanitation	44,072	30,000	14,072
Administration	66,771		66,771
TOTAL BUDGET - SPECIAL REVENUE FUND TYPE	<u>\$ 346,843</u>	<u>\$ 111,575</u>	<u>\$ 235,268</u>

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky

Honorable Paul E. Patton, Governor

Gordon C. Duke, Secretary

Finance and Administration Cabinet

Dana Mayton, Secretary, Revenue Cabinet

Honorable Lovell Dwayne Jett, Former Bracken County Judge/Executive

Honorable Leslie L. Newman, Bracken County Judge/Executive

Members of the Bracken County Fiscal Court

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Bracken County, Kentucky, as of and for the year ended June 30, 2002, and have issued our report thereon dated June 13, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Bracken County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bracken County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.



Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended solely for the information and use of management and is not intended to be, and should not be, used by anyone other than the specified party.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
June 13, 2003

CERTIFICATION OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

BRACKEN COUNTY FISCAL COURT

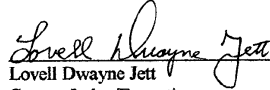
For The Fiscal Year Ended
June 30, 2002

Appendix A

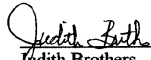
CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM
BRACKEN COUNTY FISCAL COURT

For The Fiscal Year Ended June 30, 2002

The Bracken County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.



Lovell Dwayne Jett
County Judge/Executive



Judith Brothers
County Treasurer

